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TESTIMONY OF RICHARD A. SODERMAN  
THE CONNECTICUT LIGHT AND POWER COMPANY  
and YANKEE GAS SERVICES COMPANY  
Environment Committee—March 12, 2010

**S. B. 385 AN ACT CREATING INCENTIVES FOR THE DEVELOPMENT OF SOLAR ENERGY  
AND OTHER RENEWABLE ENERGY RESOURCES.**

The proposed bill would encourage the development of solar power and other renewable energy by revising upward the RPS standards for Class I or Class II renewables beginning in 2011. We support development of renewable resources, but we are concerned that this proposal will place pressure on rates, especially as our economy struggles to recover.

Connecticut has an assortment of clean energy strategies that have been implemented over many years. They include renewable portfolio standards, Project 150, the Regional Greenhouse Gas Initiative, and DEP emissions standards. To date, the Connecticut Clean Energy Fund has dedicated nearly \$200 million on renewables, with an annual cost of about \$30 million to consumers. Project 150 has not produced any energy yet, but the contracts that have been awarded are estimated to cost electric consumers between \$100-600 million in above market payments over the terms of the contracts. The renewable portfolio standards have and will continue to contribute significant additional subsidies to renewables. We estimate that about 0.3 cents per kwh are reflected in today's rates for meeting the RPS standards, amounting to a customer cost of about \$90 million annually. Thus, electric consumers are already spending substantial amounts in supporting renewable generation technologies in their monthly bills, and more costs are in the pipeline, facts that contribute to our having among the highest rates in the nation.

As policy makers consider various renewable strategies, they need to consider the balance between goals and technologies and the impact on electric prices. We believe that Connecticut electric consumers deserve better policy directions than "one-off" commitments to individual programs. As such, we recommend that the legislature call a time out, reassess where it wants to



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go, and map out a reasonable course to get there with full information. For example, you could call upon the DPUC and DEP to assess the various clean energy programs already in place and emerging (e.g. federal) and develop a comprehensive strategy to achieve the most appropriate mix of clean energy resources.

Thank you for the opportunity to testify on this proposed bill.